

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: TENTATIVE DESIGNATION OF REDEVELOPER
HADASSAH/CHARLES SUB-PARCEL OF PARCEL 1
PARK PLAZA URBAN RENEWAL PROJECT

WHEREAS, the Boston Redevelopment Authority, hereinafter referred to as the "Authority", has established an Urban Renewal Plan under Chapter 121B of the General Laws of the State of Massachusetts; and

WHEREAS, the Urban Renewal Plan for the Park Plaza Urban Renewal Area, hereinafter referred to as the "Project Area" has been duly reviewed and approved in full compliance with local and state laws; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and the carrying out of urban renewal projects under Chapter 121B, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, Boston Plaza Hotel Associates have expressed an interest in and have submitted a satisfactory proposal for the redevelopment of the Hadassah/Charles sub-parcel of Parcel 1 in the Park Plaza Urban Renewal Area:

WHEREAS, the authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Boston Plaza Hotel Associates be and hereby are tentatively designated as redeveloper of the Hadassah/Charles sub-parcel of Parcel 1 in the Park Plaza Urban Renewal Area subject to the following conditions:
 - (a) Publication of all public disclosure and issuance of all approvals required by the Massachusetts General Laws; and Title 1 of the Housing Acts of 1949, as amended;
 - (b) Submission within Sixty (60) days in a form satisfactory to the Authority of:
 - (i) Evidence of the availability of necessary equity funds; and
 - (ii) Evidence of firm financial commitments from banks or other lending institutions; and
 - (iii) Final Working Drawings and Specifications satisfying the Authority's Design Review Process.

BOSTON PLAZA HOTEL/CONDOMINIUMS

Project Cost Budget

September 24, 1981

<u>Land</u>	<u>Hotel (1)</u>	<u>Condominium (1)</u>	<u>Total (1)</u>
Land Acquisition Costs	\$ 2,102,000	\$1,401,000	\$3,503,100
Lease Buyouts & Tenant Relocations	266,000	177,000	443,000
Utility Relocation & Public Improvements	312,000	208,000	520,000
Property Operating Losses	242,000	161,000	403,000
Title Insurance, Legal & R.E. Taxes	212,000	141,000	353,000
Other	45,000	30,000	75,000
 Total Land	 \$ 3,179,000	 \$2,118,000	 \$5,297,000
 <u>Construction (Building) Costs</u>	 \$26,000,000	 \$18,000,000	 \$44,000,000
 <u>Soft Costs</u>			
Architectural & Engineering Fees	\$ 881,000	\$ 588,000	\$1,469,000
Other Consultants	30,000	20,000	50,000
A & E Extras & Reimbursables	120,000	80,000	200,000
Legal, Accounting, Insurance R.E. Taxes	630,000	420,000	1,050,000
Development Reimbursables	120,000	80,000	200,000
Others	<u>30,000</u>	<u>20,000</u>	<u>50,000</u>
 Total Soft Costs (Excluding Construction Interest)	 \$ 1,811,000	 \$1,208,000	 \$3,019,000
 <u>Construction Loan Interest</u>	 \$ 6,000,000	 \$4,000,000	 \$10,000,000
 <u>Hotel Costs</u>			
Studies	\$ 25,000		\$ 25,000
Consultant Fees	430,000		430,000
Pre-Opening Expense	1,657,000		1,657,000
Working Capital	500,000		500,000
Furniture, Fixtures & Equipment (including purchasing fee)	<u>7,580,000</u>		<u>7,580,000</u>
 Total Hotel Costs	 \$10,192,000		 \$10,192,000
 <u>Condominium Costs</u>			
Consultants		\$ 63,000	\$ 63,000
Development Overhead Including Accounting		180,000	180,000
Sales & Marketing Costs		1,755,000	1,755,000
Legal		149,000	149,000
Carry Costs		218,000	218,000
FF & E (including purchase fee)		940,000	940,000
Construction Finishes		<u>3,637,000</u>	<u>3,637,000</u>
 Total Condominium Costs		 \$6,942,000	 \$ 6,942,000

<u>Other</u>	<u>Hotel</u>	<u>Condominium</u>	<u>Total</u>
Development Fees	\$1,350,000	\$ 900,000	\$2,250,000
Financing Fees	120,000	80,000	200,000
Operating Deficit			
Expenses - Hotel	2,000,000	-0-	2,000,000
Owner's Contingency	660,000	440,000	1,100,000
Total Other Costs	4,130,000	1,420,000	5,550,000
Total Project Costs	<u>51,312,000</u>	<u>33,688,000</u>	<u>85,000,000</u>

Notes:

- (1) Unless otherwise noted, project costs divided 60% to hotel and 40% to condominiums.
- (2) Includes interest on total project costs to projected hotel opening and condominiums thereafter.

2. That it is hereby determined that Boston Plaza Hotel Associates possess the qualifications and financial resources necessary to acquire and redevelop the land in accordance with the Urban Renewal Plan for the Project Area.
3. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further that all practicable and feasible means and measures will be utilized to avoid or minimize change to the environment.
4. That the Director is authorized to execute a license for early entry onto the Authority-owned portions of the site in order to allow for demolition and site preparation activities; such license to be in the Authority's usual form and to include such other terms and conditions as the Director deems appropriate and in the best interest of the Authority.
5. That the Director is further authorized to execute a Cooperation Agreement with Boston Plaza Hotel Associates to specify terms and conditions applicable to the sliver parcels of land acquired by the Authority in accordance with the separate Board memorandum of this date.
6. That the Secretary be and is hereby authorized and directed to issue a warrant on behalf of the Authority to the Suffolk County Sheriff's Office to evict, in accordance with Chapter 79, Section 3 of the Massachusetts General Laws, Avis, Inc. from 281-222 Boylston Street if Avis has not vacated the site on or before January 17, 1982.
7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction, whether or not applicable to this development, in accordance with Section 105 (E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004)

PARK PLAZA PROJECT

SUMMARY OF BOSTON PLAZA HOTEL ASSOCIATES FOUR SEASONS HOTEL/CONDOMINIUM PROJECT FOR HADASSAH/CHARLES SUB-PARCEL OF PARCEL 1

Hotel

291 Luxury Hotel Rooms	<u>158,000</u> sq.ft.
173 Standard Type Rooms	
101 Alcove Rooms	
6 Suites	
Public Rooms/Services	<u>45,000</u> sq.ft.
130 Seat Dining Room	
100 Seat Cocktail Lounge	
150 Seat Pub/Cafe	
Banquet, Meeting, Ballroom Facilities	
Conference Board Room	
Swimming Pool with Bar/Cafe Services	
Health Club	
Retail Shops	
Hotel Support	<u>132,000</u> sq.ft.
Back-of-the-House, Corridors, Service	

Condominiums

100 Luxury Residential Condominium Units	<u>165,000</u> sq.ft.
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Parking

220 Parking Spaces in Two-Level Underground Garage for Hotel and Condominium Use	<u>90,000</u> sq.ft.
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Total Gross Building Area	<u>590,000</u> sq.ft.
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LEGEND

- PARCEL BOUNDARIES
- EXISTING STRUCTURES
- OTHER EASEMENT
- Right of Way
- STREETS (Main & Access)

Park Plaza
Urban Renewal Area
PLANNING AND DESIGN DIVISION
CITY OF BOSTON

DATE: MAY 8, 1964
DRAWN: J. B. GILLES
PROJECT: PARK PLAZA
SCALE: 1" = 100'-0"
SHEET: 1 OF 1

PART I

MUD-6004
(7-79)REDEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE¹

A. REDEVELOPER AND LAND

1. a. Name of Redeveloper: Boston Plaza Hotel Associates
- b. Address and ZIP Code of Redeveloper: 530 Atlantic Ave., Boston, MA
02210
- c. IRS Number of Redeveloper:
2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from

Boston Redevelopment Authority*(Name of Local Public Agency)*in The Park Plaza Urban Renewal Area*(Name of Urban Renewal or Redevelopment Project Area)*

in the City of Boston, State of Massachusetts,
is described as follows²

New Charles - Hadassah Sub-Parcel of Parcel #1

3. If the Redeveloper is not an individual doing business under his own name, the Redeveloper has the status indicated below and is organized or operating under the laws of Commonwealth of Massachusetts

- ☐ A corporation.
- ☐ A nonprofit or charitable institution or corporation.
- ☒ A partnership known as Boston Plaza Hotel Associates
- ☐ A business association or a joint venture known as
- ☐ A Federal, State, or local government or instrumentality thereof.
- ☐ Other (explain)

4. If the Redeveloper is not an individual or a government agency or instrumentality, give date of organization:

January 1, 1981

5. Names, addresses, title of position (if any), and nature and extent of the interest of the officers and principal members, shareholders, and investors of the Redeveloper, other than a government agency or instrumentality, are set forth as follows:

¹If space on this form is inadequate for any requested information, it should be furnished on an attached page which is referred to under the appropriate numbered item on the form.

²Any convenient means of identifying the land (such as block and lot numbers or street boundaries) is sufficient. A description by metes and bounds or other technical description is acceptable, but not required.

- a. If the Redeveloper is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
- b. If the Redeveloper is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the Redeveloper is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.
- d. If the Redeveloper is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the Redeveloper is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

NAME, ADDRESS, AND ZIP CODE

POSITION TITLE (if any) AND PERCENT OF INTEREST OR DESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

- | | |
|---|--|
| - Macomber - Boston Plaza Associates
530 Atlantic Ave.
Boston, MA 02210 | General and Limited Partner: 40% interest
Principals of Macomber - BPA are:
George Macomber 82%
Byron Gilchrest 10%
Anthony Pangaro 5%
Peter Freeman 3% |
| - Galbreath-Ruffin Corp.
150 East 42nd St.
New York, NY 10017 | General and Limited Partner: 30% interest |
| - Four Seasons Hotel Ltd.
Four Seasons of Massachusetts
Eglinton Ave. East Toronto Ontario Canada | General and Limited Partner: 30% interest |

6. Name, address, and nature and extent of interest of each person or entity (not named in response to item 5) who has a beneficial interest in any of the shareholders or investors named in response to item 5 which gives such person or entity more than a computed 10% interest in the Redeveloper (for example, more than 10% of the stock in a corporation which holds 50% of the stock of the Redeveloper, or more than 50% of the stock in a corporation which holds 10% of the stock of the Redeveloper):

NAME, ADDRESS, AND ZIP CODE

DESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

See attached description of interest for Four Seasons Hotels Ltd. and Galbreath-Ruffin Corp.

7. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under item 5 or item 6 above:

See attached list of officers and directors of Four Seasons Hotels Ltd. and Galbreath-Ruffin Corp.

8. RESIDENTIAL REDEVELOPMENT OR REHABILITATION

(The Redeveloper is to furnish the following information, but only if land is to be redeveloped or rehabilitated in whole or in part for residential purposes.)

If a corporation is required to file periodic reports with the Federal Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934, so state under this item 8. In such case, the information referred to in this item 8 and in items 6 and 7 is not required to be furnished.

1. State the Redeveloper's estimates, exclusive of payment for the land, for:

- a. Total cost of any residential redevelopment. \$31,570,000
- b. Cost per dwelling unit of any residential redevelopment. \$ 315,700
- c. Total cost of any residential rehabilitation \$ -
- d. Cost per dwelling unit of any residential rehabilitation \$ -

2. a. State the Redeveloper's estimate of the average monthly rental (if to be rented) or average sale price (if to be sold) for each type and size of dwelling unit involved in such redevelopment or rehabilitation:

TYPE AND SIZE OF DWELLING UNIT	ESTIMATED AVERAGE	ESTIMATED AVERAGE
	MONTHLY RENTAL	SALE PRICE
	\$	\$

see attached tabulation for type and size of dwelling.
Estimated sales prices are \$275 per square foot.

b. State the utilities and parking facilities, if any, included in the foregoing estimates of rentals:

Utilities and parking space sale price and charges will be billed to each condominium owner separately.

c. State equipment, such as refrigerators, washing machines, air conditioners, if any, included in the foregoing estimates of sales prices:

CERTIFICATION

Air-conditioning and kitchen appliances are to be included

I (We)¹ Boston Plaza Hotel Associates

certify that this Redeveloper's Statement for Public Disclosure is true and correct to the best of my (our) knowledge and belief.²

Dated: December 15, 1981

Dated: _____

Boston Plaza Hotel Associates

by Macomber - Boston Plaza Associates

Signature

Signature

General Partner

by

Anthony Pangaro

Title

Title

Anthony Pangaro, General Partner

530 Atlantic Ave., Boston MA 02210

Address and ZIP Code

Address and ZIP Code

¹ If the Redeveloper is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

² Penalty for False Certification: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or imprisonment of not more than five years, or both, for knowingly and willfully making or using any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department of the United States.

(For Confidential Official Use of the Local Public Agency and the Department of Housing and Urban Development. Do Not Transmit to HUD Unless Requested or Item 8b is Answered "Yes.")

- (Name of Local Public Agency)

(Name of Urban Renewal or Redevelopment Project Area)

- 5 -

6. Sources and amount of cash available to Redeveloper to meet equity requirements of the proposed undertaking:

a. In banks:

NAME, ADDRESS, AND ZIP CODE OF BANK

AMOUNT

\$

b. By loans from affiliated or associated corporations or firms:

NAME, ADDRESS, AND ZIP CODE OF SOURCE

AMOUNT

\$

See agreement with Equitable Life Assurance Society attached

c. By sale of readily salable assets:

DESCRIPTION

MARKET VALUE

MORTGAGES OR LIENS

\$

\$

Developer cash in project equals:

1,993,000

Loans equal:

1,726,000

Letters of credit equal:

1,238,000

7. Names and addresses of bank references:

State Street Bank and Trust Co., Dale Carelton, VP
225 Franklin St., Boston, MA

8. a. Has the Redeveloper or (if any) the parent corporation, or any subsidiary or affiliated corporation of the Redeveloper or said parent corporation, or any of the Redeveloper's officers or principal members, shareholders or investors, or other interested parties (as listed in the responses to Items 5, 6, and 7 of the Redeveloper's Statement for Public Disclosure and referred to herein as "principals of the Redeveloper") been adjudged bankrupt, either voluntary or involuntary, within the past 10 years? ☐ YES ☒ NO

If Yes, give date, place, and under what name.

- b. Has the Redeveloper or anyone referred to above as "principals of the Redeveloper" been indicted for or convicted of any felony within the past 10 years? ☐ YES ☒ NO

If Yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

9. a. Undertakings, comparable to the proposed redevelopment work, which have been completed by the Redeveloper or any of the principals of the Redeveloper, including identification and brief description of each project and date of completion:

- see attached list of:
1. Four Seasons Hotels (brochure)
 2. Macomber Development Associates and George Macomber
 3. Galbreath-Ruffin Corp. (brochure)

- b. If the Redeveloper or any of the principals of the Redeveloper has ever been an employee, in a supervisory capacity, for construction contractor or builder on undertakings comparable to the proposed redevelopment work, name of such employee, name and address of employer, title of position, and brief description of work:

George Macomber is the principal owner of the George B.H. Macomber Company which has built substantial projects. See George B.H. Macomber Company brochure attached.

10. Other federally aided urban renewal projects under Title I of the Housing Act of 1949, as amended, in which the Redeveloper or any of the principals of the Redeveloper is or has been the redeveloper, or a stockholder, officer, director or trustee, or partner of such a redeveloper:

See attached list of redeveloper projects

11. If the Redeveloper or a parent corporation, a subsidiary, an affiliate, or a principal of the Redeveloper is to participate in the development of the land as a construction contractor or builder:

- a. Name and address of such contractor or builder:

George B.H. Macomber
530 Atlantic Ave.
Boston, MA

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract? ☐ YES ☒ NO

If Yes, explain:

- c. Total amount of construction or development work performed by such contractor or builder during the last three years: \$ 150,000,000.

General description of such work:

See attached brochure of the George B.H. Macomber Company and list of development projects by Macomber Development Associates

- d. Construction contracts or developments now being performed by such contractor or builder:

IDENTIFICATION OF CONTRACT OR DEVELOPMENT	LOCATION	AMOUNT	DATE TO BE COMPLETED
See attachment - George B.H. Macomber Company Work Status Report			

See attachment -
George B.H. Macomber Company
Work Status Report

e. Outstanding construction-contract bids of such contractor or builder:

AWARDING AGENCY

AMOUNT
\$

DATE OPENED

None

12. Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the redevelopment of the land, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

The George B.H. Macomber Company has performed on projects of similar size and complexity and has resources adequate to

13. a. Does any member of the governing body of the Local Public Agency to which the accompanying bid or proposal is being made or any officer or employee of the Local Public Agency who exercises any functions or responsibilities in connection with the carrying out of the project under which the land covered by the Redeveloper's proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal? ☐ YES ☒ NO

If Yes, explain.

- b. Does any member of the governing body of the locality in which the Urban Renewal Area is situated or any other public official of the locality, who exercises any functions or responsibilities in the review or approval of the carrying out of the project under which the land covered by the Redeveloper's proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal? ☐ YES ☒ NO

If Yes, explain.

14. Statements and other evidence of the Redeveloper's qualifications and financial responsibility (other than the financial statement referred to in Item 4a) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I (We) Boston Plaza Hotel Associates

certify that this Redeveloper's Statement of Qualifications and Financial Responsibility and the attached evidence of the Redeveloper's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.²

Dated: December 15, 1981

Dated: _____

Boston Plaza Hotel Associates
by Macomber - Boston Plaza Associates

Signature

Signature

General Partner
by Anthony Pangaro

Anthony Pangaro, General Partner
530 Atlantic Ave., Boston, MA 02210

Title

Address and ZIP Code

Address and ZIP Code

- ¹ If the Redeveloper is a corporation, this statement should be signed by the President and Secretary of the corporation; if an individual, by such individual; if a partnership, by one of the partners; if an entity not having a president and secretary, by one of its chief officers having knowledge of the financial status and qualifications of the Redeveloper.
² Penalty for False Certification: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or imprisonment of not more than five years, or both, for knowingly and willfully making or using any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department

* * this project. It has adequate personnel, equipment and experience.

INTEREST IN FOUR SEASONS HOTEL'S LIMITED

Creed Family	22.7%
Coffler Family	22.05%
I. Sharpe Family	37.94%

c/o E. Creed	c/o M.B. Coffler	c/o I. Sharpe
Doneddy Farm RR#1	23 Beechwood Avenue	26 Forest Glen Crest
Schomberg, Ontario	Willowdale, Ontario	Toronto, Ontario

OFFICERS - FOUR SEASONS HOTELS LIMITED

ISADORE SHARPE
Chairman, President,
Chief Executive Officer
and Director

MAX SHARPE
Vice Chairman and
Director

MURRAY B. COFFLER
Vice President and
Director, Coffler Stores
Ltd., 255 Yorkland Blvd.
Willowdale, Ontario

EDMOND CREED
Vice President and
Director
Creed's Furs Ltd.
45 Bloor Street West
Toronto

FREDERICK EISEN
Director
Four Seasons Realty Group
1210 Sheppard Avenue
Willowdale, Ontario

ARNOLD L. CADER
Secretary and Director
1100 Eglinton Avenue
Toronto

MICHAEL M. LAMBERT
Director
1100 Eglinton Avenue
Toronto

SIR GERALD GLOVER
Glover & Co.
115 Park Street
Cordan, England

ROGER GARLAND
Treasurer and Officer
1100 Eglinton Avenue
Toronto

INTEREST IN FOUR SEASONS OF MASSACHUSETTS

Four Seasons Supply Inc.
1100 Eglinton Avenue
Toronto, Ontario

OFFICERS OF FOUR SEASONS OF MASSACHUSETTS

c/o Sherburne, Powers and Needham
One Beacon Street
Boston, MA 02108

ISADORE SHARPE
President and Director
1100 Eglinton Avenue
Toronto

OFFICERS OF FOUR SEASONS OF MASSACHUSETTS - Continued

ARNOLD CADER
Treasurer and Director
1100 Eglinton Avenue
Toronto

C. THOMAS SWAIM
Clerk
One Beacon Street
Boston, MA

Interest in Galbreath-Ruffin Corporation

John W. Galbreath	33½ %	Darby-Dan Farm Galloway, OHIO 42119
Daniel M. Galbreath	33½ %	2772 Clarion Court Columbus, OHIO 43220
Joan G. Phillips	33½ %	2355 Tremont Road Columbus, OHIO 43221

Officers of Galbreath-Ruffin Corporation

John W. Galbreath	Chairman of Executive Committee address as above
Daniel M. Galbreath	Chairman of the Board address as above
Anthony E. Wallace	President 150 East 42nd Street New York, N.Y. 10017
Philip M. Shannon	Executive Vice President
Lawrence W. Friel, Jr.	Executive Vice President
George W. Barsa	Sr. Vice President, Treasurer and Controller
Joseph K. Elliot	Senior Vice President
Philip J. Carvin	Senior Vice President
A. Charles Brooks	Vice President
Henry Kurland	Vice President and Assistant Treasurer
James W. Phillips	Vice President and Assistant Secretary
Joseph G. Costabile	Vice President
John W. Diercksen, Jr.	Vice President
Perry D. Edson	Vice President
Edward J. Flanagan	Vice President
H. Ross Ford, Jr.	Vice President

Richard L. Olmstead

Vice President

Percy R. Pyne

Vice President

Allan J. Stanbury

Vice President

Harry Wen

Vice President

Francis A. McAnaney

Secretary

Sears Crescent Building
4th Floor
City Hall Plaza
Boston, Massachusetts
02108

(617) 723-8250
Telex 94-0743

Boston, Dallas,
Irvine, Ca.,
Toronto, Montreal,
Calgary, Vancouver

October 7, 1981

Four Seasons Hotel, Boston, Mass. Project No. 1614
Condominium Units - Tabulation Sheet

Each Condominium Unit consists of a kitchen, living/dining room, foyer, hallways, closets, bedrooms and bathrooms. The number of bedrooms and bathrooms is indicated in the list below.

The area computations noted below are taken from the outside face of exterior wall to the corridor face of the corridor wall and from the center line of demising partition to the center line of demising partition.

Unit Type	Quantity	Floors where Occur	No. of Bedrooms	*No. of Bathrooms	Area in Sq. Ft.
CA	4	9-12	2	2	1,738
CB	4	9-12	1 + Den	2	1,424
CC	4	9-12	1 + Den	2	1,333
CD	4	9-12	1	2	1,187
CE	4	9-12	1 + Den	2	1,324
CF	4	9-12	1	2	1,048
CG	4	9-12	1	2	963
CH	4	9-12	1 + Den	2	1,752
CI	4	9-12	1 + Den	2	1,998
CJ	4	9-12	1 + Den	2	1,397
CK	2	9-10	1 + Den	2	1,624
CL	4	9-12	1 + Den	2	1,504
CM	8	8-15	1 + Den	2	1,740
CN	7	9-15	2 + Den	3	2,072
CO	8	8-15	1	2	1,076
CP	8	8-15	1 + Den	2	1,850
** CQ	5	8-12	1 + Den	2	2,128
CR	4	9-12	2 + Den	3	2,330
** CS	5	8-12	1 + Den	2	1,974
CT	2	11-12	2	2	1,938
CU	1	8	1 + Den	2	1,776
CV	3	13-15	2	3	2,022
CW	3	13-15	2	3	2,007

TOTAL NO. OF UNITS = 100

TOTAL AREA = 165,325 sq. ft.

* Number of bathrooms indicates number of water closets per unit

** CQ and CS information is as per revised design drawings dated Oct. 6, 1981.

MEMORANDUM OF UNDERSTANDING

BOSTON PLAZA (FOUR SEASONS) HOTEL/CONDOMINIUMS
BOSTON, MASSACHUSETTS

This memorandum is intended to set forth the understanding between the Equitable Life Assurance Society of the United States (ELAS) and Boston Plaza Hotel Associates (BPHA) with respect to a joint venture partnership, to be formed, to develop and own the Boston Plaza Hotel and to develop and sell residential condominium units which are to be part of the project. The development is to be constructed fronting on the Boston Public Gardens at the corner of Charles and Boylston Street in Boston, Massachusetts.

I. The Project

- a. Land and Improvements - Approximately 54,400 square feet of land (subject to easements) bounded by Boylston Street, Park Square, and Providence Street has been purchased and/or under contract by BPHA. Title to the land will be acquired by the venture immediately upon the formation of the joint venture partnership and will be funded through the construction loan as herein described.

The joint venture will construct a luxury hotel and condominium project containing 291 room keys (173 standard type rooms, approximately 79,750 square feet - 101 alcove rooms, approximately 62,500 square feet - 6 suites approximately 11,500 square feet) and 100 units respectively in a 15-story tower as designed by WZMH Habib Group, Inc. The hotel will also include a 130 seat dining room, 100 seat cocktail lounge, a 150 seat pub/cafe; banquet and meeting and ballroom facilities totalling 8,900 square feet; a conference board room; a swimming pool with bar/cafe services; a health club; and retail shops of 1,200 square feet.

The condominium units will range from 1 bedroom, 1½ bath units comprising 990 square feet to 3 bedroom, 2½ bath units up to 2,500 feet. The units will occupy part of the 8th floor and the entire 9th through 15th floors and contain a total saleable area of not less than 165,000 square feet.

In addition, there will be structural underground parking for 207 cars and live parking for 10 cars. At least one underground parking space will be allocated for each condo unit and sold to the condo purchaser.

Total gross building area will approximate 580,000 square feet.

- b. Four Season Hotels, Ltd. Agreement - BPHA will enter into agreement for pre-opening services, design services, and so called FF & E purchasing services as well as for management services for the continuing operation of the hotel with Four Seasons Hotels, Ltd. of Toronto, Canada. Pre-opening services, design services and FF & E purchase agreements are to be part of project costs and to be acceptable to the Equitable. Said management agreement will be in a form satisfactory to the Equitable on the following basic business terms:

Term of Agreement - 25 years with 3-25 year renewal options.

Basic Fee - 3% of gross revenues, as defined.

Incentive Fee - 20% of net income, as defined. Incentive fee will be subordinated to any permanent mortgage financing and a 13% cumulative preferred return on any Equitable equity remaining in the project after final ownership interest are determined.

- c. Construction - With ELAS's preliminary concurrence, BPHA will have entered into a guaranteed maximum contract (GMP) with B. H. Macomber Construction Company prior to the formation of the venture at prices summarized on the attached development budget. Said contract will be acceptable to Equitable and fully assignable to the Venture.
- d. Design - BPHA has or will enter into certain contracts including in part (a) WZMH Group, Inc. for hotel architectural design services; (b) Frank Nicholson, Inc. for interior design services Cini-Grissom Associates, Inc. for hotel food services and kitchen design services; and (c) Pertl and Associates for laundry consultant services. In addition, various condominium consultants are contemplated, however, are not as yet determined. All said consultant contracts will be acceptable to Equitable and assigned to the Venture.
- e. Plans and Specifications - Preliminary plans and specifications dated August 31, 1981 and revised to September 15, 1981 have been submitted to the Equitable. The final plans and specifications will be approved by the Equitable prior to the formation of the Venture.
- f. Project Savings - Any savings in project costs which result in a line item cost below the project's \$75 million budget may be first transferred to any other line item within the \$75 million budget except to the \$2.0 million hotel operating deficit or to fees. Any savings in the \$2.0 million hotel operating deficit item which are available after January 1, 1987 will be applied to other items within \$85 million budget.

Second, any remaining savings will be applied against any hotel operating deficit if the total project budget exceeds \$85 million.

Third, any remaining savings in the \$75 million budget will then be distributed 90% to BPHA and 10% to ELAS.

II. Financial Structure

- a. Estimated Project Costs - It is estimated that the project cost will be \$85,000,000 as summarized in the attached development budget. This project cost includes land and certain pre-development costs already incurred by BPHA. Construction loan terms are more fully described under "Construction Loan."

- b. Construction Loan - The terms of the construction loan are outlined in the attached "Mortgage Loan Application" and are summarized herein:

Loan Amount	- \$85,000,000 (approximately \$50,000,000 allocated to hotel and \$35,000,000 to condominiums). Anticipated project cost based on estimated development cost of \$75,000,000 plus construction loan interest.
Interest Rate	- $\frac{1}{2}\%$ over the prime lending rate of the Chase Manhattan Bank, N.A. with a floor rate of $12\frac{1}{2}\%$ and ceiling rate of $16\frac{1}{2}\%$.
Term	- Three (3) years from commencement of construction expiring January 1, 1985 or upon opening of the hotel and commencement of Interim Loan (defined below), whichever occurs first.
Fees	- \$125,000 to Equitable, payable \$50,000 on construction loan closing and \$75,000 when 80% of condominiums are sold.
Guarantor	- Non-recourse to BPHA principals. Construction contract to be fully bonded by George B. H. Macomber Construction Company, general contractor, or by sub-contractors thereto as approved by Equitable and BPHA. BPHA to guarantee completion of project in accordance with approved plans and specifications.
Funding	- All construction costs to be funded through construction loan in accordance with construction schedules. It is understood that upon approval and acceptance of the commitment, Equitable will fund to the maximum extent possible the reasonable development costs incurred by BPHA to that date with the balance to be funded upon Construction Loan closing. Any such funding prior to closing of the Construction Loan will be done on a "best efforts" basis.
Repayment	- Construction Loan (i.e. approximately \$50,000,000 hotel portion and \$35,000,000 condo portion) will be repaid by the Interim Loan (defined below). To the extent proceeds are received from condominium sales prior to the conversion to the Interim Loans, such proceeds to be applied towards the reduction of the Construction Loan.

- c. Interim Financing - Upon construction completion and opening of the Hotel (anticipated as January 1, 1984 or as soon thereafter as possible) the entire unamortized balance outstanding of the Construction Loan will be converted to an Interim Loan (\$50,000,000 (approx.) on the hotel and \$35,000,000 (approx.) on the condos) at 14% interest only. Such Interim Loan shall be for a term expiring January 1, 1987 or the date condo sales are completed whichever shall first occur.

It being anticipated that the Interim Loan will be instituted on or about January 1, 1984 with the opening of the Hotel, it is understood that total estimated \$85,000,000 Construction Loan may not have been drawn down and, furthermore, that the outstanding balance of the Interim Loan will vary from time to time to reflect paydown from condo sales proceeds and additional construction costs.

The Interim Loan will be repaid by condo sale proceeds up to the \$35,000,000 anticipated allocated cost thereof, the \$38,000,000 Permanent Mortgage (described under II (e)) and the balance from the \$12,000,000 Equitable equity loan advance as herein after described.

- d. Equity and Ownership Position - It is understood Equitable and BPHA will form a joint venture partnership with the intent that the ownership position as finally determined at the Permanent Mortgage closing date will be 50/50. However, it being recognized that Equitable is providing the entire project financing commitment, it is agreed, subject to the other provisions hereof, the initial ownership will be 80% Equitable and 20% BPHA until final determination on the Permanent Mortgage closing date, January 1, 1987 or such earlier date as herein set forth.

The final ownership position will be determined as follows:

For each \$1,000,000 equity investment left in by Equitable at the Permanent Mortgage closing date in excess of \$38,000,000 (\$36,000,000 permanent mortgage plus \$2,000,000 cash equity) that is not matched by a cash equity investment of BPHA, the Equitable ownership position will be increased 2.5% above the 50% base position up to a maximum 80%.

For example: (1) If a total of \$50,000,000 were left in by Equitable without BPHA participation, or \$12,000,000 over the aforementioned \$38,000,000 base, the final Equitable ownership position would be (remain) 80% and BPHA 20% or (2) if \$48,000,000 was the total required and Equitable left in \$46,000,000 with BPHA contributing \$2,000,000, the Equitable ownership position would be 70% and BPHA 30% based on Equitable having invested \$8,000,000 over the \$38,000,000 base plus \$2,000,000 contributed by BPHA (\$48,000,000 less \$38,000,000 = \$10,000,000 less \$2,000,000 = \$8,000,000 Equitable equity in, times 2.5% per \$1,000,000 or 20%). If BPHA did not elect to contribute the \$2,000,000, then ELAS/BPHA ownership would be 75/25 (\$48,000,000 less \$38,000,000 equals \$10,000,000 Equitable equity in, times 2.5% per \$1,000,000 or 25% added to the 50% base, or 75%).

As noted under 1(b), a cumulative preferred return (after net operating income and debt service but before FSH incentive management fee calculation) will be due on all Equitable cash equity (excluding interest) commencing on the Permanent Mortgage closing date at 13%, and such equity is to remain in the venture.

- e. Condo Sale - Condo sales will be controlled by BPHA, it being understood that BPHA will submit a sales marketing plan and forecast performance including performance dates for approval by Equitable.

Condo sales (including sale of parking spaces) will be applied as follows:

1. Reduce the projected allocated condo interim loan of approximately \$35 million by 100% of condo sale proceeds.
2. Reduce hotel operating deficits over agreed upon budgeted figure for years 1984, 1985 and 1986. Such budgeted figure will be \$2,000,000
3. To repay any outstanding balance of the Equitable equity loan advance down to the \$38,000,000 committed Permanent Mortgage.
4. To the degree that costs exceed \$75 million, condo proceeds up to \$900,000 will be distributed to BPHA.
5. The balance to be divided 50/50 between Equitable and BPHA as of the Permanent Loan Mortgage closing date.

f. Permanent Mortgage

Amount	- \$38,000,000 (or at Equitable's option such amount reduced or offset by equity, which equity shall not effect the ownership position).
Rate	- 13½%
Term	- 17 years.
Constant	- 13.75% (30 year amortization)
Delivery	- Earlier of the date (1) condo sales are completed, or (2) January 1, 1987 or (3) a mutually agreed upon date falling between (1) and (2). In no event will permanent mortgage commitment extend beyond January 1, 1987.
Kicker	- (1) Based on room sales income up to \$14,000,000 at 1%, \$14,000,000 to \$17,000,000 at 5% and over \$17,000,000 at 2%. If prior to or including 1991, kicker income equals or exceeds \$380,000, the kicker formula is amended as follows: 1% of room sales income up to \$14 million, 5% between \$14-\$17 million, and 1% over \$17,000,000. (2) No guarantee or cumulative return; payable only from net income after operations and fixed debt service but before return on Equity and FSH incentive management fee. (3) Kicker is in effect only when Permanent Mortgage outstanding.
Prepayment	- Closed for 10 years; prepayable in full in the 11th year with a 5% penalty, such penalty declining 1% per annum to par. Prepayment to be the sum of the outstanding loan balance at time of payoff (plus any accrued interest) plus the highest realized kicker income capitalized at 13½%

Guarantor

- Non-recourse.

- g. Excess Capital Requirements - All project cost overruns, with the exception of construction loan interest, shall be advanced by BPHA. In the event that construction loan interest exceeds the budgeted amount, such excess costs shall be advanced 50% by BPHA and 50% Equitable. If either partner declines to so contribute, the other partner may do so with a proportionate increase in its ownership interest. This however, in no event, will affect the ownership interests as defined under II. (d).
- h. Sale or Refinancing - Proceeds from the sale or refinancing shall be distributed as follows:
 - 1. Pay off outstanding Equitable debt including the highest realized kicker income capitalized at 13%.
 - 2. Reduce Equitable cash equity and reduce BPHA's cash equity.
 - 3. Any excess to be split 50/50 between Equitable and BPHA.
- i. Right of First Refusal - In the event either party shall decide to sell its interest in the Venture, the other party shall have a right of first refusal to meet any bona fide offer.
- j. Managing Partner - Boston Plaza Hotel Associates will be the managing venture partner and directly responsible for the development and management of the property. It is the intent that joint venture meetings will be scheduled quarterly during the construction period and semi-annually thereafter.
- k. Tax Benefits/Implications
 - 1. Project cost allocations will be structured to the extent feasible to minimize the tax implications to each member of the Venture. All partners, in any event, will be responsible for condo profits received.
 - 2. Until final ownership position is determined upon the closing of the Permanent Mortgage, the tax benefits (i.e. lossess of the Partnership) will be allocated on a 50/50 basis.
 - 3. After final ownership position determination is made, the tax consequences/benefits will be shared on the basis of the ownership positions of the parties.

It is our suggestion that, given the complexities, The Equitable's tax counsel and BPHA's tax representative resolve this matter to the best interests of the Venture.

- 1. Partnership Control - It is agreed that until closing of the Permanent Mortgage and final determination of the ownership position, BPHA and Equitable will have 50/50 voting share and thereafter control will be based on the final ownership position. The Managing General Partner shall be asdesigned in the BPHA Partnership Agreement i.e. Macomber - Boston Plaza Associates to construction loan closing and Galbreath-Ruffin Corporation thereafter.

It is understood that upon final determination of the ownership position at the Permanent Mortgage closing the partners may designate by majority vote a new Managing General Partner.

- m. Development's Profit - It is contemplated that the budgeted project costs will include development overhead and profit not to exceed \$2,250,000. Fifty percent of such costs or \$1,125,000 are recognized as overhead expense and will be allocated on a monthly basis over the construction loan period with \$200,000 included in the first construction draw. The remaining \$1,125,000 will be paid in three installments as follows: (1) \$250,000 when 30% of condos are sold, (2) \$350,000 when 60% of condos are sold and (3) \$525,000 when 90% of condos are sold.

It is understood that we must obtain our board approval before authorization to proceed under the terms of this memorandum. As you may recall, we are attempting to submit this deal to our mid-October board and therefore time is of the essence. Upon execution of this Memorandum of Understanding, the parties hereto shall proceed in good faith to obtain necessary approvals and prepare and promptly execute such documents as shall be required in order to carry out the intentions stated herein. It is understood, however, that until such additional commitments or other documents are executed, the parties hereto are not legally bound to each other.

Agreed to this 6th day of Oct ~~September~~, 1981.

EQUITABLE LIFE ASSURANCE SOCIETY
OF THE UNITED STATES

By: C.T. Harwood

Title: Assistant Vice President

BOSTON PLAZA HOTEL ASSOCIATES

By Macomber-Boston Plaza Assoc
General Partner

By: Anthony Pignaro

Title: General Partner

CJH/pac

cc: Four Seasons Hotels, Limited
Mr. A.L. Cader

Macomber-Boston Plaza Associates
Mr. B. Gilchrest

Keller Company
Mr. J.D. Keller



THE EQUITABLEth LIFE ASSURANCE SOCIETY OF THE UNITED STATES

1285 Avenue of the Americas, New York, N.Y. 10019

We hereby apply to THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES for a Term mortgage loan of \$ 38,000,000 for 17 years 0 months (from the first or only advance) (from the earlier of the final advance or the expiration date referred to in 1 (a) below) with interest at 13 1/2 % per annum to be repaid in successive monthly installments commencing on the first day of the second month following closing of the loan in the sum of \$435,417 each applied first to interest and then to principal. See Schedule A for Construction and Interim Loan Terms.

We are to have the right after loan years to prepay up to \$ in any one loan year (non-cumulative) without charge and to prepay additional amounts after 10 loan years with a charge of 5 % during the 11th loan year declining one % per annum each loan year thereafter to not less than 1%. (prepayments to be on interest dates after 30 days notice for part and 60 days for full prepayment, with loan years to be calculated from the first interest date). The loan is to be evidenced by one or more bonds or notes (the "note") of a joint venture, to be formed between Equitable Life Assurance Society of the United States (ELAS) and Boston Plaza Hotel Associates (BPHA)

and secured by a mortgage or trust deed (the "mortgage"), all as required by Equitable, creating a first lien on the unencumbered marketable fee simple absolute title to the following property (such lien, however, to be on an unencumbered marketable leasehold estate as to any leasehold mentioned below, with the fee simple title to the leasehold area to be absolute and subject to no encumbrances prior to said leasehold; and such lien to be on the absolute and unencumbered title to the equipment and personal property mentioned below, and to be supplemented by a security agreement, if desired by Equitable; and all the foregoing property to be owned absolutely by borrower for his own account and not as agent or trustee for another except as expressly stated, with the real estate to be an independent tax lot, taxed separately from other property):

Land Description: Approximately 54,000 square feet of land (subject to easements for plaza purpose) bounded by Boylston Street, Charles Street, and Providence Street as described herein on Schedule "B" attached.

City: Boston County: Suffolk State: Massachusetts

Description of Improvements: 15-story plus 2-level parking garage, concrete and masonry hotel and condominium building, to be built, with an aggregate of approximately 580,000 sq.ft. of gross area including (1) 291 key luxury hotel containing 130 seat dining room, 100 seat cocktail lounge, 150 seat pub/cafe, conference board room, banquet and meeting facilities of 8,900 sq.ft., retail shops of 1,200 sq.ft. and including furniture, fixtures, and equipment necessary for hotel operation; and (2) 100 unit luxury residential condominium, together with car parking (surface and underground) swimming pool, health club, with air-conditioning sprinkler system, elevators (passenger and freight and separate for hotel and condo), site improvements and equipment all to be satisfactory to the Equitable.

Equipment: All property reasonably necessary or appropriate for proper operation of premises. There must be included (without limitation) including in part necessary furniture, fixtures and equipment for the operation of a luxury hotel.

If all or part Leasehold, Term: From to Annual Net Rental: \$

Options to Renew or Purchase:

Purpose of Loan: To defray costs of construction

- We hereby agree that Equitable's obligation hereunder shall terminate at the option of Equitable (a) if the loan is not closed by January 1, 1987, or earlier if all conditions for the loan are fulfilled to Equitable's satisfaction (but Equitable shall not be required to disburse the loan prior to 1987); or (b) if the lender furnishing interim mortgage financing, if any, and borrower shall not enter into an agreement in Equitable's standard form for the sale and purchase of the interim loan within 30 days after the date of acceptance of this application or of the making of a commitment for such interim loan, whichever is later; or (c) if this is an application for a construction loan and borrower fails to enter into a Building and Loan Agreement in Equitable's standard form incorporating the pertinent provisions of this application by Dec. 31, 1981; or (d) if, as to required improvements not now completed, architectural structural, mechanical and electrical plans and specifications and a soils report are not furnished to Equitable within 60 days after its acceptance of this application, or if such plans and specifications or report or any materials, workmanship or design are unsatisfactory to Equitable and not promptly corrected to Equitable's satisfaction (approval not to be unreasonably withheld, and not to impose any responsibility on Equitable as to adequacy or legality); or (e) if any loan held by Equitable on the property (including any prior advance hereunder) or on any other property of applicant or borrower or of an entity in which either has a material interest, directly or indirectly, is in default.
- We hereby pay, or shall pay on demand, (a) an (appraisal) (service) charge of \$, not returnable, (b) in consideration for Equitable's processing this application and for arranging for funds to be available for disbursement hereunder, (i) a cash deposit of \$, to be held without interest and returned only upon closing the entire loan (or any advance) or if Equitable fails to approve the application within a reasonable time, and (ii) a non-returnable commitment fee of \$, plus % per annum, on , payable quarterly in advance from the date the loan is approved by Equitable (which date of approval will usually precede the date of acceptance hereof). The billing or acceptance of any quarterly installment, whether before or after, or for a period extending beyond, the expiration date, and regardless of the stage of completion of any required construction or of the stage of compliance with any other term hereof, shall not waive any term hereof or extend the expiration or any other date herein or be deemed an approval of any matter unless so stated in writing by Equitable. That part of any quarterly installment collected and allocable to a period after the expiration date or after disbursement of the entire loan shall be refunded.
- We shall furnish promptly such additional information as shall be requested by Equitable or its counsel, and we shall extend to Equitable the privilege of erecting its customary sign on the property during construction and of participating in ground-breaking and opening ceremonies.
- At or prior to closing we shall furnish, in form, substance and enforceability satisfactory to Equitable and its counsel, (a) leases in force, free from default, with term commenced to tenants in possession and on terms satisfactory to Equitable, accompanied by estoppel certificates, and assigned as additional security by instrument to be recorded (and notice of such assignment to be given to the tenants). The tenants and terms below (except those, if any, preceded by an asterisk, which denotes they are satisfactory but not required) must be included, and no tenant shall have paid rent more than 30 days in advance or be entitled to any set-off. The acceptance of this application after receipt by Equitable of a copy of any lease is not to be considered as approval of such lease unless so stated by Equitable.

Tenant

Place

Term

Annual Rental

Percentage
Rent

None

- (u) evidence that borrower owns the property, that since the date of this application no material change in the identity of or control of, and no material adverse change in the financial condition of, any borrower, tenant under a lease to be assigned to Equitable or guarantor of the loan or any such lease, has occurred or is contemplated, and that no judicial or administrative actions or proceedings are pending affecting any of them or the property which if adversely determined would materially adversely affect the loan.
- (c) evidence that the improvements are undamaged, may be legally occupied free of violation (or claimed violation) of environmental, flood plain, building and zoning laws or other applicable legal and insurance underwriter's requirements and if not now completed, have since been completed and paid for and are ready for occupancy, all to the satisfaction of Equitable, in accordance with plans and specifications approved by Equitable.
- (d) fire, extended coverage, and other usual insurance, with standard mortgagee clause, in companies, amounts and with coinsurance satisfactory to Equitable.
- (e) as to any leasehold to be mortgaged (which lease must be in all respects satisfactory to Equitable, in force and free from default), an estoppel certificate from the lessor thereunder, and
- (f) an opinion of title (supported by an abstract) or title insurance, as required by Equitable, from counsel or one or more title companies satisfactory to Equitable showing title in the mortgagor satisfactory to Equitable, the aforementioned note, mortgage and any desired security agreement, a current survey by a licensed engineer or surveyor satisfactory to Equitable, evidence of compliance with the provisions of this application, an opinion of borrower's counsel (if requested), and other instruments deemed necessary by Equitable or its counsel for the proper closing of the loan.

~~The mortgage may include, without limitation, provision for non interest bearing monthly escrow deposits for estimated taxes, assessments and insurance, a call option in mortgagee if, without its consent, all or part of the property is transferred or further encumbered or a material change in identity or control of mortgagor occurs (other than through death), and a requirement for furnishing financial statements, certified to Equitable's satisfaction, of borrower, tenant, any future owner, and any guarantor of the loan or of any lease assigned to Equitable, and of the property operations.~~

Neither the endorsement of any check or draft nor the deposit of any payment delivered pursuant to this application shall be construed as an approval of this application by Equitable. No waiver, assignment, extension or modification shall be effective against Equitable except as specified in a writing signed by it.

We represent that we have no other commitment on the property and agree that, when accepted by Equitable, this application will constitute an agreement by us to close the loan on the terms set forth in the accepted application. We represent and agree that the loan funds are required for business or commercial purposes, are not intended to be used, and will not be used, for family, household, agricultural or personal purposes, and that truth in lending and similar laws, federal and state, and interest equalization and similar tax laws, do not apply to the loan. We agree that, if more than one advance is provided for, the terms, including the expiration date, shall apply to each advance.

We hereby agree that the loan shall be without cost to Equitable and we assume liability for and shall pay all costs and expenses required to satisfy the conditions hereof and the making of the loan, including, without limitation, all reasonable expenses for examination and evidence of title, taxes of any nature, survey costs and recording and attorneys' fees, whether or not the loan closes.

We recognize that other lenders, including The Equitable Life Mortgage and Realty Investors ("TELMARI"), a real estate investment trust, may participate in the loan, at its inception or thereafter, whereupon each representation and agreement herein shall also run to, and each reference herein to Equitable shall also refer to, such participant, and we consent (the consent to survive loan closing) that, until loan repayment, information as to the loan, the property and the credit of the borrower, any tenant, any guarantor of the loan or any lease and any future owner may be made available to such participant and to any future potential purchaser of the loan or any part thereof. Upon our being advised of any such participation, either by endorsement hereon by each participant of its acceptance of this application for the loan share specified, or by mailing to applicant prior to loan closing of an executed counterpart of a partial transfer of this application by Equitable to such participant, with acceptance thereof by the latter, (a) we shall look solely to each participant for its loan portion; (b) we shall, on request, deliver a separate note to each participant and cooperate in closing the loan on any loan portion taken by TELMARI at its Boston office; (c) any payments of fees and charges payable hereunder shall be payable to the participant(s) entitled thereto in accordance with their separate agreement; and (d) TELMARI's (and any other participant Trust's) obligations under this agreement shall not be personally binding upon, nor shall resort be had to the private property of, any of the trustees or shareholders, officers, employees or agents of such Trust, but the Trust property of such Trust only shall be bound, and each other agreement of such Trust relating to the loan may contain a similar provision.

Additional terms and conditions included on Schedule A and B attached hereto.

Submitted by: Galbreath-Ruffin Corporation

150 East 42nd Street

Address: New York, NY 10017

BOSTON PLAZA HOTEL ASSOC.
Joint Venture between ELAS and BPHA

By ~~Morton S. Rabinowitz~~ for ~~Galbreath-Ruffin~~
Sam Parker

by ~~Anthony R. Jones~~, for ~~Parting~~
September 6, 1981

Date: _____

Applicant's Mailing Address: Galbreath-Ruffin Corporation, Mobil Building,
150 E. 42nd Street, New York, NY 10017

WITNESSED AND AGREED TO:

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

By: _____

Schedule A Attached to and Forming
Part of Application for Mortgage Loan
Dated ~~September 6~~ ¹⁹⁸¹, 1981 by Joint Venture
To Be Formed Between ELAS and BPHA
Relating to Premises Bounded By
Boylston Street, Charles Street,
Providence Street, Boston, Massachusetts
and Containing Additional Terms and Conditions

- A. This application is considered part of "Memorandum of Understanding" dated ~~September 6~~ ¹⁹⁸¹, 1981 which sets forth the various terms with respect to a Joint Venture, to be formed, between the Equitable Life Assurance Society of the United States (ELAS) and Boston Plaza Hotel Associates (BPHA).

This loan application is for:

- (1) A construction loan of \$85,000,000 to be disbursed as construction progresses at terms and conditions as set forth in this application,
- (2) An interim loan in the maximum amount of \$85,000,000 to commence upon the termination of (1) above at terms and conditions as set forth herein, and
- (3) A long term loan for the maximum amount, term (measured from the term expiration date of the interim loan) and repayment as specified in the first paragraph of this application and as supplemented in paragraphs of this Schedule A.

Construction Loan - Paragraphs B thru G

- B. Applicant acknowledges receipt of copies of Equitable's forms of Building and Loan Agreement (Form 032.221, 67-8), Contractor's Certificate (Form 031.257, 73-10), Construction Loan Affidavit (Form 031.259, 67-8), Contractor's Letter (Form 031.258, 67-8), Requisition Sheet (Form 617-30, 77-6), Cost Statement (Form 617.05B), Contractor's Affidavit (Form 066-18), and Schedule of Construction Advances (Form 617.34, 77-6), which forms will be used for the funding of the construction loan.
- C. The construction loan, in the amount of \$85,000,000, will be used to defray construction costs, will be funded monthly and advanced in accordance with construction schedules as set forth in the above mentioned forms.
- D. For allocation purposes, the \$85,000,000 loan will be approximately \$50,000 (or 5% for the Hotel and approximately \$35,000,000 (or 41%) for the Condominium with each construction advance to be allocated in accordance with this 59/41 relationship.
- E. Construction of the improvements, free of liens shall be constructed in accordance with approved plans and specifications with a guarantee of completion by Boston Plaza Hotel Associates and by surety companies of major sub-contractors to the extent required by Equitable. Construction (which shall, as a minimum include site work) shall commence no later than December 31, 1981 and the first construction advance to close no later than January 31, 1982 which commitment shall expire in accordance with Paragraph II (b) of Memorandum of Understanding dated September , 1981. (Referred to hereinafter as Memorandum)
- F. Interest only during the construction loan phase shall be payable at rate 1/2% per annum above the prime rate existing from time to time of the Chase Manhattan Bank, N.A. (i.e., the lowest rate at which it will make a loan of \$1,000,000 or more to its large commercial or industrial customers with the highest credit standing) but in no event less than 12 1/2% or greater than 16 1/2% and applied to all funds advanced.
- G. \$125,000 shall be payable to Equitable in accordance with the below schedule:
- (1) \$50,000 at the time of first construction advance but no later than January 31, 1982.
 - (2) \$75,000 at the time when 80 condominium units have been sold.

Interim Loan - Paragraphs H thru N

- H. Upon completion of ^{an} the Hotel but not later than January 1, 1985, the entire unamortized balance of the Construction Loan (Paragraphs B thru G) shall be converted into ~~two~~ Interim (intermediate type) Loans allocated in accordance with Paragraph D above and as referred to in Paragraph L below.
- I. The commencement term of the Interim Loan shall be in accordance with H above and to expire the earlier of January 1, 1987 or date condominium sales are completed (Paragraph II (c) of Memorandum).
- J. Interest only during the Interim Loan phase shall be payable at a rate of 14% per annum payable monthly on the outstanding loan balance.
- K. The Interim Loan shall be repaid by the combination of (1) the sale of condominium units, (2) Equitable permanent long term loan described herein, and (3) Equitable equity contribution as more fully described under 2(d) of the Memorandum and Paragraph "O" below.
- L. It is anticipated that the Interim Loan may not be \$85,000,000 at time of conversion, and thereafter will vary from time to time to reflect paydown of loan from condominium sales proceeds and additional construction loan advances. If additional construction fundings are required during this Interim Loan period, the allocation of advance(s) will be the same as noted under Construction Loan, Paragraph D (i.e., 59% allocated to Hotel and 41% to the Condominium).
- M. Schedule C, made a part of this application, enumerates the inventory and projected sales prices of the condominiums. As each condominium unit is sold, 100% of the sales proceeds will be used to reduce the allocated loan to the condominiums (i.e. approximately \$35,000,000). If condominium loan (i.e., approximately \$35,000,000) is paid in full, condominium sales will thereafter reduce the Hotel Loan (i.e., \$50,000,000) to not less than \$38,000,000, all in accordance with II(e) of the Memorandum.
- N. Equitable has the right of review and approval of all contemplated condominium purchasers, which approval will not be unreasonably withheld.

Permanent Long Term Loan - Paragraphs O thru R

- O. Upon the termination of the Interim Loan as stated in Paragraph II (f) of the Memorandum, the unamortized balance of the Interim Loan converts into a permanent long term loan of \$38,000,000 on the terms outlined in the initial paragraph of this Application.
- P. If at time of Permanent Long Term Loan funding, the outstanding Interim Loan is greater than \$38,000,000 but less than \$50,000,000, the difference, to a maximum of \$12,000,000, is to be funded by Equitable as a project equity contribution in accordance with Paragraph 2(d) of the Memorandum.
- Q. In addition to the fixed interest rate specified in the initial paragraph of this Application, additional interest equal to the below schedule shall be paid annually (annually to mean a calendar year basis):
- (1) 1% of annual gross room revenues up to \$14,000,000
plus
 - (2) 5% of annual gross room revenues from \$14,000,001 to \$17,000,000.
plus
 - (3) 2% of annual gross room revenues over \$17,000,001.
- If prior to or during calendar year 1991, kicker income, as determined by the above formula, equals or exceeds \$380,000, (3) in the kicker income formula is amended to read "1% of annual gross room revenues over \$17,000,001." All other terms remain the same.
- Kicker income to be payable from net income from operations after debt service, as defined, but before any return to equity and so called Four Seasons incentive management fee as defined in Hotel Management Agreement referred to below.

R. In addition to the prepayment charge as noted in paragraph two (2) this Application, prepayment shall be the sum of this charge plus the outstanding loan balance at time of payoff (including any accrued interest) plus the highest realized kicker income (i.e., as defined in "Q" above) capitalized at a rate of 13%.

S. Hotel Management Agreement

It is contemplated that the Applicant will enter into a Management Agreement with the Four Seasons Hotels, Ltd. for the continued operation of the hotel. Said Management Agreement will be in a form satisfactory to the Equitable on the following basic terms:

Term - 25 years plus three 25 year renewal options.

Basic Management Fee - 3% of gross revenues as defined.

Incentive Fee - 20% of net income, as defined to be subordinated to any permanent loan mortgage financing.

T. All easements between the hotel and condominiums including parking, ingress and egress, etc. to be in a form satisfactory to the Equitable.

U. It is contemplated that documentation relative to the residential condominiums is being finalized. All such documentation to be legally satisfactory and approved by the Equitable.

It is also contemplated that the hotel operator will also be responsible for the development of the marketing concept of the residential condominiums as well as the sale and closing of such condo units. All documentation concerning the sale of such residential condominiums shall require the prior approval of the Equitable.

V. The mortgage will require mortgagor to furnish annual financial reports of the operations of the property certified by an independent CPA of recognized standing satisfactory to Equitable, which in part will include a balance sheet and profit and loss statement relative to the Hotel and a certification with respect to the kicker income as noted in Paragraph Q.

AGREED TO AND ACCEPTED BY:

BOSTON PLAZA HOTEL ASSOCIATES
by *Manita - Boston Plaza Associates*
General Partner

By: *Anthony Parzano*
Boston Plaza Hotel Joint Venture

Title: *Gen Partner*

Dated: *Oct 6 1981*

Schedule B Attached to and Forming
Part of Application for Mortgage Loan
Dated ~~September~~ ^{Oct 6}, 1981 by Joint Venture
To Be Formed Between ELAS and BPHA
Relating to Premises Bounded By
Boylston Street, Charles Street,
Providence Street, Boston, Massachusetts
and Containing Additional Terms and Conditions

Attached hereto is the legal description relative to the above captioned
property.

AGREED TO AND ACCEPTED: BPHA
by Master Boston Plaza Assoc.
Gen Partner
By: Anthony Pargano
Joint Venture To Be Formed

Title: Gen Partner

Dated: Oct 6 1981

Schedule C Attached to and Forming
Part of Application for Mortgage Loan
Dated ~~September~~ Oct 6, 1981 by Joint Venture
To Be Formed Between ELAS and BPHA
Relating to Premises Bounded By
Boylston Street, Charles Street,
Providence Street, Boston, Massachusetts
and Containing Additional Terms and Conditions

AGREED TO AND ACCEPTED: BPHA
by Maumet. Boston Plaza Corp.
Gen. Partner
By: Anthony Pagano
Joint Venture To Be Formed

Title: Gen Partner

Dated: Oct 6, 1981

Schedule C Attached to and Forming Part of Application for Mortgage Loan Dated September , 1981 by Joint Venture To Be Formed Between ELAS and BPHA Relating to Premises Bounded By Boylston Street, Charles Street, Providence Street, Boston, Massachusetts and Containing Additional Terms and Conditions

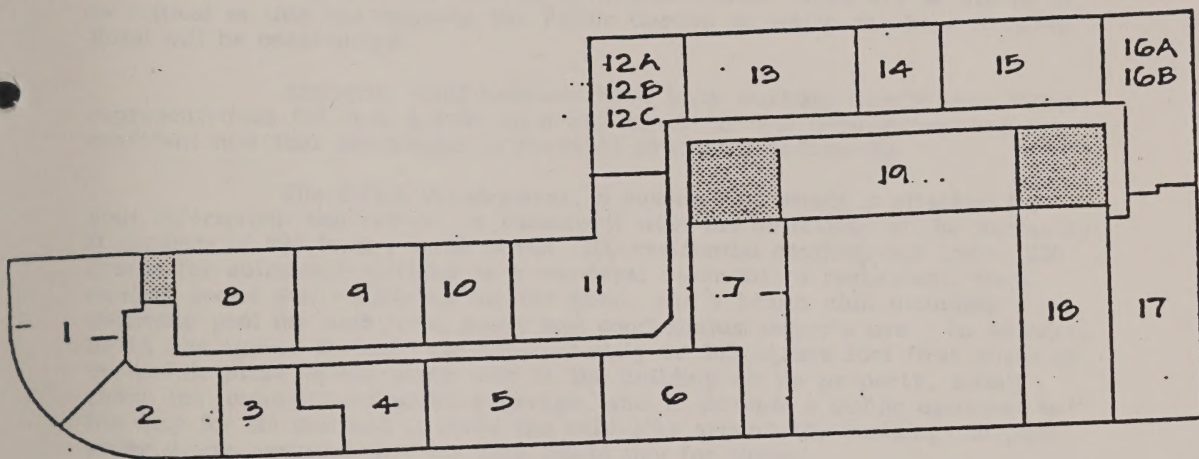
CONDOMINIUM UNITS

UNIT No.	UNIT TYPE	No. of BDRMS	FLOORS	No. of UNITS	AREA SQ. FT.	TOTAL S.F.	PROJECTED	PROJECTED
							SALES PRICE	TOTAL SALES PRICE
1	CD	2	9-12	4	1970	7880		
2	CE	2 (Den)	9-12	4	1408	5632		
3	CF	1	9-12	4	1208	4832		
4	CG	1	9-12	4	1104	4416		
5	CI	2 (Den)	9-12	4	1760	7040		
6	CK	2 (Den)	9-12	4	1440	5760		
7A	CL	2 (Den)	9-10	2	1590	3180		
7B	CL	2	11-12	2	1970	3940		
8	CC	2 (Den)	9-12	4	1344	5376		
9	CC/R	2 (Den)	9-12	4	1344	5376		
10	CH	1	9-12	4	992	3968		
11	CJ	2 (Den)	9-12	4	1985	7940		
12A	CS	2 (Den)	8	1	1700	1700		
12B	CH	2 (Den)	9-12	4	1410	5640		
12C	CQ	2	13-15	3	1983	5949		
13	CA	2 (Den)	8-15	8	1842	14736		
14	CH	1	8-15	8	1023	8184		
15	CA/R	2 (Den)	8-15	8	1842	14736		
16A	CP	2 (Den)	8-12	5	1805	9025		
16B	CR	2	13-15	3	1967	5901		
17	CB	3 (Den)	9-12	4	2180	8720		
18	CB/R	3 (Den)	8-12	5	2280	11400		
19	CO	3 (Den)	9-15	7	2088	14616		
				TOTAL 100		TOTAL 165,947		

Schedule C Attached to and Forming
Part of Application for Mortgage Loan
Dated September 1, 1981 by Joint Venture
To Be Formed Between ELAS and BPHA
Relating to Premises Bounded By
Boylston Street, Charles Street,
Providence Street, Boston, Massachusetts
and Containing Additional Terms and Conditions

UNIT NO.	UNIT TYPES	FLOORS	AREA SQ. FT	NO. OF UNITS	SALES PRICE PER UNIT	SALES PRICE TOTAL
<u>1 BEDROOM</u>						
10	CH	9-12	992	4		
14	CN	8-15	1023	8		
4	CG	9-12	1104	4		
3	CF	9-12	1208	4		
				<u>20</u>	TOTAL	
<u>2 BEDROOM</u>						
16B	CR	13-15	1967	3		
7B	CL	11-12	1970	2		
1	CD	9-12	1970	4		
12C	CQ	13-15	1983	3		
				<u>12</u>	TOTAL	
<u>2 BEDROOM (Second bedroom serves as DEN)</u>						
8	CC	9-12	1344	4		
9	CC/R	9-12	1344	4		
2	CE	9-12	1408	4		
12B	CH	9-12	1410	4		
6	CK	9-12	1440	4		
7A	CL	10-11	1590	2		
12A	CS	8	1700	1		
5	CI	9-12	1760	4		
16A	CP	8-12	1805	5		
13	CA	8-15	1842	8		
15	CA/R	8-15	1842	8		
11	CJ	9-12	1985	4		
				<u>52</u>	TOTAL	
<u>3 BEDROOM (Third bedroom serves as DEN)</u>						
19	CO	9-15	2088	7		
17	CB	9-12	2180	4		
18	CB/R	8-12	2280	5		
				<u>16</u>	TOTAL	
					TOTAL UNITS	100

Schedule C Attached to and Forming
Part of Application for Mortgage Loan
Dated September , 1981 by Joint Venture
To Be Formed Between ELAS and BPHA
Relating to Premises Bounded By
Boylston Street, Charles Street,
Providence Street, Boston, Massachusetts
and Containing Additional Terms and Conditions



KEY PLAN

MEMORANDUM

TO: BOSTON REDEVELOPMENT AUTHORITY 4149

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: PARK PLAZA URBAN RENEWAL PROJECT
TENTATIVE DESIGNATION OF REDEVELOPER FOR HADASSAH/
CHARLES SUB-PARCEL OF PARCEL 1

As the Authority is aware, Boston Plaza Hotel Associates (BPHA) is very near the point of starting construction on its hotel/condominium project on the Hadassah/Charles sub-parcel. The commencement of this development will be a major catalyst for the further implementation of the Park Plaza plan. This \$85 million development will represent the first major private investment in Park Plaza and will dramatically upgrade not only the block of Boylston and Providence Streets, on which it will be located, but the entire area. There are few sites in downtown Boston which are as visible or as critical as this one opposite the Public Garden on which the Four Seasons Hotel will be constructed.

Authority staff members have been working closely with BPHA representatives for over a year on every aspect of this development and are confident now that the project is ready to proceed satisfactorily.

The BPHA development, a summary of which is attached for your information and review, is consistent with the objectives of the Authority. It consists of 290 luxury hotel rooms, 100 residential condominium units, 220 spaces for automobile parking in a two-level basement, a restaurant, bars, meeting rooms and a ballroom for the hotel, and a health club including a swimming pool for both hotel guest and condominium owner's use. In addition, BPHA has agreed to build the approximately 20,000 square foot first phase of the public plaza on the south side of the building on its property, mainly above the underground parking garage, and to provide a public easement to the City for its use and to build the sidewalks around the building; in past years it was assumed that the City would pay for these.

BPHA's original principal partner was George Macomber. As the Authority is aware, Lex Hotels and Melvin L. Cooper have withdrawn their interest as limited partners. In order to strengthen the project, the development team is requesting that Four Seasons Hotels, Limited of Toronto, Canada; Galbreath-Ruffin Corporation of New York and Columbus, Ohio; and Macomber-Boston Plaza Associates, a partnership composed of George Macomber, Byron Gilchrest, Anthony Pangaro and Peter L. Freeman be designated.

Four Seasons is a leading operator of medium-sized luxury hotels in the United States, Canada and Europe. These include the Ritz-Carlton in Chicago, the Clift in San Francisco, the Four Seasons in Georgetown and the Inn-on-the-Park in London. Four Seasons will operate the new hotel and initially manage the condominiums. They will also be a participant in the development partnership.

Galbreath-Ruffin has constructed major office, commercial, retail and hotel buildings throughout the world. These include One Liberty Plaza in New York, One Market Place in San Francisco and the U.S. Steel Headquarters in Pittsburgh. Galbreath-Ruffin will manage the project during its construction and pre-opening phases.

The partners of Macomber-Boston Plaza Associates will continue to be responsible for all pre-construction phases of the work. Macomber Development Associates whose partners are the same, has developed the Moshassuck Office Park in Providence, RI, the Salada Building in Back Bay and the Riverfront Office Park in Cambridge, now under construction. The George B.H. Macomber Company will build the project for Boston Plaza Hotel Associates.

BPHA has entered a Memorandum of Understanding with Equitable Life Assurance Society of America for purposes of providing the construction and permanent financing of the project.

The architect for the project is WZMH Associates which has designed a number of buildings in Boston, as well as many of the Four Seasons Hotels in Canada and the United States. Locally, these buildings include 53 State Street, the South Station Air-Rights Project and a Marriott Hotel in Burlington, MA.

BPHA has acquired the Bern and Rosoff properties and have a binding purchase and sale agreement on the two Eastern Gas properties on which the closing date is December 31, 1981. In addition, the Authority has taken the Sawyer property to complete the site assembly for the development.

Demolition of the eastern end of the site is scheduled to start approximately January 17, 1982 when Avis is scheduled to vacate in accordance with our notice. In the event that the developer has not taken title to the entire site by January 17, 1982, the developer has requested early entrance to the Avis site for demolition and site preparation purposes. Construction will commence shortly with completion of the structure including condominium space planned for early 1984 and opening of the hotel shortly thereafter.

It is considered that the development team has the expertise, experience and financial resources necessary to successfully and expeditiously undertake and complete the proposed project. Accordingly, it is recommended that the Authority reconfirm its earlier tentative designation, now with the inclusion of new equity partners of Boston Plaza Hotel Associates as the Redevelopment of the Hadassah/Charles sub-parcel of Parcel 1. In effect, this rescinds the previous designation of Boston Plaza Associates and acknowledges the change from Lex Hotels to Four Seasons.

An appropriate resolution is attached.

